

Assembly Bill No. 1387

CHAPTER 751

An act to amend Section 2055 of, and to repeal Section 2067 of the Labor Code, relating to car washes.

[Approved by Governor October 11, 2013. Filed with
Secretary of State October 11, 2013.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1387, Roger Hernández. Car washes.

Existing law regulates the employment practices of car washes, including providing specific recordkeeping requirements that employers of car washers must implement with regard to car washer wages, hours, and working conditions, under the enforcement authority of the Division of Labor Standards and Enforcement. Existing law requires employers of car washers to register with the Labor Commissioner and pay a specified registration fee, or be subject to a specified civil fine. The fines and registration fees are deposited into the Car Wash Worker Restitution Fund and the Car Wash Worker Fund and, upon appropriation by the Legislature are made available to be disbursed by the commissioner, as specified, and to be applied to costs incurred by the commissioner in administering these provisions. Existing law also requires employers of car washes to post a \$15,000 bond for the benefit of the state to compensate employees damaged by the employer's nonpayment of wages. Existing law repeals these provisions on January 1, 2014.

This bill would increase the employer's bond requirement amount to \$150,000, but would exempt an employer from that requirement if the employer has a collective bargaining agreement in place that meets specified criteria.

This bill would also delete the repeal date of the provisions described above, thus extending those provisions indefinitely.

The people of the State of California do enact as follows:

SECTION 1. Section 2055 of the Labor Code is amended to read:

2055. The commissioner may not permit any employer to register, nor may the commissioner permit any employer to renew registration until all of the following conditions are satisfied:

(a) The employer has applied for registration to the commissioner by presenting proof of compliance with the local government's business licensing or regional regulatory requirements.

(b) The employer has obtained a surety bond issued by a surety company admitted to do business in this state. The principal sum of the bond shall be not less than one hundred fifty thousand dollars (\$150,000). The employer shall file a copy of the bond with the commissioner.

(1) The bond required by this section shall be in favor of, and payable to the people of the State of California and shall be for the benefit of any employee damaged by his or her employer's failure to pay wages, interest on wages, or fringe benefits, or damaged by violation of Section 351 or 353.

(2) Thirty days prior to the cancellation or termination of any surety bond required by this section, the surety shall send written notice to both the employer and the commissioner, identifying the bond and the date of the cancellation or termination.

(3) An employer may not conduct any business until the employer obtains a new surety bond and files a copy of it with the commissioner.

(4) This subdivision shall not apply to an employer covered by a valid collective bargaining agreement, if the agreement expressly provides for all of the following:

(A) Wages.

(B) Hours of work.

(C) Working conditions.

(D) An expeditious process to resolve disputes concerning nonpayment of wages.

(c) The employer has documented that a current workers' compensation insurance policy is in effect for the employees.

(d) The employer has paid the fees established pursuant to Section 2059. SEC. 2. Section 2067 of the Labor Code is repealed.